



LOS ANGELES COUNTY
CITIZENS ECONOMY AND EFFICIENCY COMMITTEE

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June 1, 1965

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Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration

Gentlemen:

VALIDITY OF THE JOINT SALARY SURVEY
OF MARCH 1, 1965

At the May 19 salary hearing your Board, on motion by Supervisor Dorn, requested the Economy and Efficiency Committee to investigate the validity of the Wage and Salary Survey in Los Angeles County dated March 1, 1965, prepared jointly by the City of Los Angeles, the County of Los Angeles, the City Schools of Los Angeles, and the Los Angeles City Housing Authority.

It is our understanding that the purpose of the survey was to present a summary of the prevailing average wage paid by private industry in Los Angeles County for certain benchmark classifications to serve as a guide to the Supervisors in determining 1965 salary levels.

It is quite obvious that in the short time available we were able to make only a cursory check. Our conclusions are as follows:

Within the craft groups, namely Carpenter, Plumber, Painter and Electrician, the averages presented do not represent what industry is paying in similar maintenance categories in the community. The survey figures are much higher because they reflect both construction and industry maintenance rates. It is our opinion, therefore, that the data on these job classifications should be limited to firms having their own maintenance staffs.



In the balance of the survey, 23 benchmark classifications were compared with those set out in the survey conducted jointly by the State and the Federal Bureau of Labor Statistics, the survey of the Merchants and Manufacturers Association, and those of several companies which were available to us.

While there is no complete agreement in the comparisons, the variations are both plus and minus and vary from a difference of \$1.00 or \$2.00 to a maximum of \$60.00 per month.

We would conclude, therefore, that insofar as the survey is concerned, it was fairly done and that the variations are within the range that could be accounted for by the sampling method used.

We do wish to correct what apparently was a misunderstanding on the part of some members of the Board -- that small companies were not included in the averages. Our review would indicate that there were a very sizable number of small companies, some 39% of the total, which employ less than 250 people. By the very weight of employee numbers, however, the larger companies exert a predominant influence on the averages. If the selection of large companies is dominated by high-paying firms, such as the large defense contractors, then the salary rates reported in the survey would tend to be higher than the average in the community.

A further consideration which has not been fully taken into account in the survey is the matter of fringe benefits which include such things as retirement benefits, incentive payments, insurance, job security, working conditions, etc. It is difficult to put a specific dollar value on these, but they can be fairly well reduced to a percentage figure of the total payroll.

We believe it would be possible, if the Board desires, to make an in-depth study of the survey. To this end we could convene a group of employee relations experts from the various companies representing a fair cross section of Southern California industry whose services, I believe, would be donated for the study. These men have most of the data in hand and could probably come up with a very comprehensive comparison in a relatively short time, perhaps

Honorable Board of Supervisors

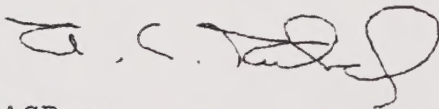
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in a matter of two or three weeks. Such a cross section would include the oil industry, the defense industry, public utilities, the manufacturing industries, the banks, the mercantile industry, the construction industry, and perhaps others.

May I also state that this report represents the work that has been done by Mr. Burke Roche, Executive Secretary, Mr. Francis R. Wilcox, Chairman of the Full Committee, and the writer, Vice Chairman. We were given authority by the Full Committee to act in this matter, but the Committee itself has not reviewed the findings contained in this letter.

Very truly yours,

A. C. Rubel

A handwritten signature in dark ink, appearing to read 'A. C. Rubel', with a large, stylized loop at the end.

ACR:ew

cc: Each Supervisor
Members, Eff. and Econ. Comm.



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